

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SANDRA CASE,
on behalf of plaintiff and the class defined
herein,

Plaintiff,

VS.

ARROW FINANCIAL SERVICES, LLC and
FREEDMAN ANSELMO LINDBERG &
RAPPE LLC,

Defendants.

FILED: MARCH 24, 2008
08CV1698 EDA
JUDGE MANNING
MAGISTRATE JUDGE NOLAN

COMPLAINT – CLASS ACTION

INTRODUCTION

1. Plaintiff Sandra Case brings this action to secure redress from unlawful collection practices engaged in by defendants Arrow Financial Services, LLC and Freedman Anselmo Lindberg & Rappe LLC. Plaintiff alleges violation of the Fair Debt Collection Practices Act, 15 U.S.C. §1692 et seq. (“FDCPA”). The FDCPA broadly prohibits unfair or unconscionable collection methods; conduct which harasses, oppresses or abuses any debtor; and any false, deceptive or misleading statements, in connection with the collection of a debt; it also requires debt collectors to give debtors certain information. 15 U.S.C. §§1692d, 1692e, 1692f and 1692g.

2. Specifically, plaintiff alleges that defendants brought suit against plaintiff on an alleged debt barred by the statute of limitations.

VENUE AND JURISDICTION

3. This Court has jurisdiction under 15 U.S.C. §1692k (FDCPA), 28 U.S.C.

§1331 and 28 U.S.C. §1337.

4. Venue and personal jurisdiction in this District are proper because both defendants are located in this District.

PARTIES

5. Plaintiff Sandra Case is an individual who resides in the Northern District of Illinois.

6. Defendant Arrow Financial Services, LLC (“Arrow”) is a limited liability company with its principal place of business at 5996 W. Touhy Avenue, Niles, IL 60714.

7. Defendant Arrow acts as a collection agency and also engages in the business of buying bad debts allegedly owed by consumers for a small fraction of face value and enforcing the debts against the consumers.

8. Defendant Arrow is a “debt collector” as defined in the FDCPA.

9. Defendant Freedman Anselmo Lindberg & Rappe LLC is a law firm organized as a limited liability company with offices in Naperville, Illinois.

10. Freedman Anselmo Lindberg & Rappe LLC’s practice consists primarily of the collection from consumers of debts allegedly owed to others, through use of the mails, telephones, and legal proceedings.

11. Freedman Anselmo Lindberg & Rappe LLC is a debt collector as defined in the FDCPA.

FACTS

12. On May 9, 2007, Freedman Anselmo Lindberg & Rappe LLC, on behalf of

Arrow, filed suit against Sandra Case in the Circuit Court of Cook County, Illinois, case no. 2007 M1 146609. The complaint and exhibits are attached hereto as Appendix A.

13. The complaint in Appendix A is a standard form, filled out in a standardized manner.

14. Ms. Case was not served until January 2008.

15. Ms. Case appeared and defended the lawsuit, whereupon defendants nonsuited it on January 29, 2008.

16. The alleged debt that the state court action sought to collect was described in the complaint as a credit card.

17. Any such debt as was alleged would have been primarily for personal, family or household purposes.

18. The state court complaint did not have attached to it any writing signed by Ms. Case.

19. The state court complaint showed on its face that the purported debt was in default more than 5 years.

20. Specifically, paragraph 4 of the complaint claimed “the sum of \$1,039.05 plus interest at the 5% statutory rate . . . in the amount of \$373.14 for a total of \$1,412.19.”

21. On information and belief, the \$1,039.05 represents the amount of the alleged debt that Arrow Financial Services, LLC claims to have purchased.

22. Complaints in the form represented by Appendix A are always filled out with the amount of the alleged debt purchased by Arrow Financial Services, LLC plus interest added

thereto by Arrow.

23. At 5%, interest on \$1,039.05 is \$51.95 per annum.

24. The claim of \$373.14 interest therefore represents 7.18 years' worth of interest (\$373.14 divided by \$51.95 is 7.18).

25. The debt was barred by the five-year statute of limitations.

26. Other complaints filed by Freedman, Anselmo, Lindberg & Rappe LLC on behalf of Arrow Financial Services LLC in the form represented by Appendix A also show that they were filed beyond the statute of limitations. To illustrate:

Consumer	Case no	Interest Claimed	Debt Without Interest	Years needed to accrue at 5%
Oscar L. Ware	07 M1 146607	438.32	1140.98	7.68
Daniel G. Koste	07 M1 146608	274.68	723.22	7.59
Amani Adballah	07 M1 146610	1825.70	3546.53	10.3
Cheryl Rogers	07 M1 146611	338.04	1039.55	6.5
Latasha Cleghorn	07 M1 146614	789.56	2036.67	7.7
Ivonne Arocho	07 M1 146615	3436.61	7446.59	9.2
Pamela Gray	07 M1 146617	199.59	650.30	6.13
Prince Williams	07 M1 146618	237.65	795.08	5.9
Kathleen Dineen	07 M1 146619	496.48	1047.15	9.4
Tiata C. Johnson	07 M1 146620	432.59	963.81	8.9
Joni L. West	07 M1 146622	226.01	507.21	8.9

COUNT I – FDCPA – FILING SUIT ON TIME-BARRED DEBTS

27. Plaintiff incorporates paragraphs 1-26.

28. The state court action was barred by the five-year Illinois statute of limitations.

29. On information and belief, defendants regularly file debt collection actions without attaching a written contract signed by the putative debtor where the last payment date or charge-

off date is more than five years prior to filing.

30. The filing and prosecution of time-barred lawsuits is both a deceptive collection practice, in violation of 15 U.S.C. §§1692e, 1692e(2), 1692e(5), and 1692e(10), and an unfair collection practice, in violation of 15 U.S.C. §1692f. *Kimber v. Federal Financial Corp.*, 668 F.Supp. 1480 (M.D.Ala. 1987).

31. Section 1692e provides:

§ 1692e. False or misleading representations [Section 807 of P.L.]

A debt collector may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of the foregoing, the following conduct is a violation of this section: . . .

(2) The false representation of--

(A) the character, amount, or legal status of any debt; . . .

(5) The threat to take any action that cannot legally be taken or that is not intended to be taken. . . .

(10) The use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a consumer. . . .

32. Section 1692f provides:

§ 1692f. Unfair practices [Section 808 of P.L.]

A debt collector may not use unfair or unconscionable means to collect or attempt to collect any debt. . . .

CLASS ALLEGATIONS

33. Plaintiff brings this claim on behalf of a class, pursuant to Fed.R.Civ.P. 23(a) and (b)(3).

34. The class consists of (a) all individuals (b) against whom Freedman Anselmo

Lindberg & Rappe, LLC filed a collection lawsuit in the Illinois state courts, (c) on behalf of Arrow Financial Services, LLC (d) within one year prior to the filing of this action (e) to collect an alleged credit card debt (f) in which the complaint is in the form represented by Appendix A (g) and the complaint shows that the debt was acquired by Arrow more than 5 years prior to the filing of the collection lawsuit.

35. The class is so numerous that joinder of all members is not practicable.

36. On information and belief, there are at least 40 individuals against whom Freedman Anselmo Lindberg & Rappe, LLC filed a collection lawsuit in the Illinois state courts, on behalf of Arrow Financial Services, LLC, within one year prior to the filing of this action, to collect an alleged credit card debt, in which the complaint is in the form represented by Appendix A, and the complaint shows that the debt was acquired by Arrow more than 5 years prior to the filing of the collection lawsuit.

37. There are questions of law and fact common to the class members, which common questions predominate over any questions relating to individual class members. The predominant common questions are whether defendants engage in a practice of filing time-barred complaints and whether such practice violates the FDCPA.

38. Plaintiff's claim is typical of the claims of the class members. All are based on the same factual and legal theories.

39. Plaintiff will fairly and adequately represent the class members. Plaintiff has retained counsel experienced in class actions and FDCPA and collection abuse litigation.

40. A class action is a superior method for the fair and efficient adjudication of

this matter, in that:

- a. Individual actions are not economically feasible.
- b. Members of the class are likely to be unaware of their rights;
- c. Congress intended class actions to be the principal enforcement

mechanism under the FDCPA.

WHEREFORE, the Court should enter judgment in favor of plaintiff and the class members and against defendants for:

- (1) Statutory damages;
- (2) Attorney's fees, litigation expenses and costs of suit;
- (3) Such other and further relief as the Court deems proper.

s/Daniel A. Edelman
Daniel A. Edelman

Daniel A. Edelman
Cathleen M. Combs
James O. Lattuner
Francis R. Greene
EDELMAN, COMBS, LATTURNER
& GOODWIN, L.L.C.
120 S. LaSalle Street, 18th Floor
Chicago, Illinois 60603
(312) 739-4200
(312) 419-0379 (FAX)

JURY DEMAND

Plaintiff demands trial by jury.

s/Daniel A. Edelman
Daniel A. Edelman

NOTICE OF LIEN

Please be advised that we claim a lien upon any recovery herein for 1/3 or such amount as a court awards.

s/Daniel A. Edelman
Daniel A. Edelman

Daniel A. Edelman
EDELMAN, COMBS, LATTURNER
& GOODWIN, LLC
120 S. LaSalle Street, 18th Floor
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08CV1698

EDA

JUDGE MANNING

MAGISTRATE JUDGE NOLAN

APPENDIX A

Complaint - Note

(3-81) CCMD-8A

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COOK COUNTY, ILLINOIS**

06031281

ARROW FINANCIAL SERVICES LLC

Plaintiff,

v.

SANDRA CASE

Defendant.

CASE NO.

AMOUNT CLAIMED: \$1762.19

RETURN DATE: 06/12/2007

07M1 146609

CONTRACT COMPLAINT

The plaintiff claims as follows:

1. That the defendant, SANDRA CASE, is indebted to plaintiff, ARROW FINANCIAL SERVICES LLC by virtue of a certain credit card agreement entered into by defendant on or about May 5, 1997; said agreement and/or terms are attached hereto and made a part hereof.
2. Plaintiff has performed any and all conditions required by the contract, if any, and defendant has agreed to the terms of the credit agreement by use of the credit extended by plaintiff.
3. That the defendant(s) are in default of the terms of the agreement by failing to make payments due.
4. That after allowing for all credits due defendant, there is due and owing as of April 28, 2007 the sum of \$1,039.05 plus, interest at the 5% statutory rate pursuant to 815 ILCS 205/2 in the amount of \$373.14 for a total of \$1,412.19.
5. That plaintiff claims reasonable attorneys fees in the amount of \$350.00 as provided for in said agreement attached hereto.
6. That demand has been made upon the defendant for the balance due, but defendant has failed to pay and still continues to refuse to pay said balance justly due.
7. That the plaintiff, ARROW FINANCIAL SERVICES LLC, is the bona fide owner of title to this action.

WHEREFORE, plaintiff prays for judgment against the defendant in the amount of \$1762.19 plus statutory interest to date of judgment plus costs of this action.

Louis S. Freedman
Freedman Anselmo Lindberg & Rappe LLC
PO Box 3228 Naperville, IL 60566-7228
Attorney No. Cook 26122

FREEDMAN ANSELMO LINDBERG & RAPPE LLC
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P0343P

THIS COMMUNICATION IS FROM A DEBT COLLECTOR.